



Wake County

301 South McDowell Street
Raleigh, NC

Meeting Minutes Board of Commissioners

Monday, April 8, 2024

9:00 AM

Wake County Justice Center

Budget Work Session

Meeting Called to Order: Chair Shinica Thomas

Meeting called to order at 9:04 am.

Commissioners present: Chair Shinica Thomas, Vice-Chair Susan Evans, Commissioner Matt Calabria, Commissioner Vickie Adamson, Commissioner Tara Waters and Commissioner Cheryl Stallings (joined virtual).

Staff present: David Ellis, County Manager; Scott Warren, County Attorney; Emily Lucas, Deputy County Manager; Duane Holder, Deputy County Manager; Ashley Jacobs, Deputy County Manager; Denise Foreman, Assistant County Manager; Jose Cabanas, Chief Medical Officer/Deputy County Manager; Ben Canada, Chief of Staff; Yvonne Gilyard, Clerk to the Board; Toni Womack, Deputy Clerk to the Board; Michelle Venditto, Director of Budget & Management Services; Heather Drennan, Deputy Director of Budget & Management Services; Michael James, Assistant County Manager; Dara Demi, Chief Communications Officer; Michelle Burgess, Budget & Management Services Manager; Jason Horton, Strategic Initiatives Director; Molly Gaskin, Principal Budget & Management Analyst; David Rutherford, Senior Facilities Project Manager; Tommy Mormon, Senior Facilities Project Manager; Eric Staehle, Senior Facilities Project Manager; Todd Taylor, Debt Manager; Mark Hamlett, Deputy Director of General Services Administration; Ryan Davidson, Deputy Director of General Services Administration; Chris Snow, Parks, Recreation & Open Space Director; Nannette Bowler, Director of Health and Human Services; Antonia Pedrosa, Senior Deputy Director of Health & Human Services; Alyssa Kitlas, Behavioral Health Program Manager; Portia Johnson, Senior Executive Assistant and Tanika Cooper, Senior Executive Assistant.

Others Present: David Cheatwood, Managing Director, First Tryon Advisors.

1. Agenda

Attachments: [Agenda 04.08.2024.pdf](#)

Chair Thomas shared agenda:

1. Capital Improvement Program Update
2. Debt and Capital Model Update
3. Update on Opioid Settlement Funding

2. Capital Improvement Program Update

Attachments: [CIP Update - April FY25 Special Work Session.pdf](#)

Ms. Emily Lucas, Deputy County Manager, shared today's work session will focus on the development of the capital improvement side of Wake County's Budget. She thanked the Commissioners for their time and questions submitted to staff. She shared the needs of Wake County on the capital side are greater than the resources that are currently available. She shared some Wake County portfolios of buildings that are aged, the growing needs of communities, and the mandated needs that Wake County wants to include that will add to the portfolio. Ms. Lucas shared Ms. Molly Gaskin, Principal Budget & Management Analyst, will share the County Capital Development Process and Mr. Todd Taylor, Debt Manager, will share debt funding strategies that are proposed for major projects. She shared in the upcoming weeks, the County Manager and team will develop a Capital Improvement Plan. She shared information regarding Wake County Public Schools System (WCPSS) and Wake Tech Capital Improvement Plan (CIP) will be discussed at the May 13th work session.

Chair Thomas reminded staff and guests to please use the microphones.

Ms. Molly Gaskin shared the Capital Improvement Program for School Year FY25-FY31. She recognized the budget and management team and partners (Facilities, Design and Construction, General Services Administration, Information Services and Debt Management). She thanked WCPSS and Wake Tech partnership for meeting with County staff.

She shared the agenda:

- Capital Overview
- Capital Economic Outlook
- County Capital
- Other Capital Funds
- Education Capital Funds

She shared Capital Improvement Programs (CIP) plan for the County's capital asset needs:

- CIP fund capital investments

- Establish a long-term 7year funding plan
- Include high costs/complex projects that require planning and a multi-year schedule
- Consider changing conditions and new needs
- Support responsible stewardship of existing facilities

She shared Capital planning framework considers multiple factors:

- Funding
- Cost and Timing
- Long Term Planning
- Capacity Constraints

She shared County Capital Process Cycle:

- CIP request received
- County core team and departments meet to refine new CIP requests
- County Core Team reviews CIP changes; CMO provides feedback
- Projects identified for potential debt funding
- Balancing scenarios developed and tradeoffs identified
- Debt planning finalized
- Board of Commissioners adopts the budget
- Annual Appropriation & Project Monitoring

She shared Capital Improvement Plan Timelines:

- FY25 Funded Projects
- FY26 to FY31 Planned
- Horizon (projects scheduled beyond the 7 year timeline)

She shared Debt and Capital programs funded by dedicated revenue sources:

- Projects linked to a funding source
- WCPSS receives a dedicated portion of Wake County sales tax (30% of Article 40 and 60% of Article 42) (for FY25 funds estimated to be about \$73million dollars and transferred to the debt service fund)
- Debt and Pay-go are balanced (13.98 cents of revenue neutral property rate dedicated to debt and capital) these sources pay back county's existing and future debt obligations
- Municipal reimbursements (for shared projects)
- Sales of fixed assets and land (revenue)

She shared County responsible for multiple capital programs across multiple funds:

- County Capital Program
- Other Programs

- Education Programs

Ms. Gaskin shared Capital Economic Outlook - National and local construction trends impacting capital project estimates.

She shared Construction trends and limited market capacity increasing capital timelines and costs:

- Do not anticipate costs returning to pre-pandemic levels
- Mechanical and electrical projects may continue to see cost increases
- Construction sector continues to experience labor challenges
- Project timelines dependent on industry availability, permitting and material lead times

She shared chart of construction material inflation lower than 2022 peak nationally but increasing over prior year:

- Costs have gone up over 40% since 2020

She shared mechanical & electrical equipment prices forecasted increase:

- Construction industry anticipates 3-5% inflation overall, with higher increases for mechanical and electrical equipment
- Demand for HVAC equipment remains high (2 year delay with delivery)
- Lead times anticipated to increase for generators

She shared construction sector continues to experience workforce shortage:

- NC had 265,000 construction workers in January in 2024
- Industry anticipates adding a million jobs nationwide over 2024 and 2025
- 377,000 construction jobs remain unfilled
- Anticipate continued increase in construction wages and cost of construction

She shared County projects are increasing in complexity and competing with other regional projects:

- Project costs and timing dependent on firm availability

She shared County Capital Fund - FY2025-2031 County Capital requests, funding sources and next steps.

She shared County Capital includes a wide variety of projects and funding types. County capital projects are funded through:

- **County capital projects range from**
 - Major renovations and new buildings
 - Maintenance of existing facility roofs, mechanical equipment, etc.
 - Computer/digital infrastructure replacement cycles and purchase of software
- **County capital projects are funded through:**
 - Limited Obligation Bonds (LOB) & dedicated Paygo (cash) - for large construction or renovation projects
 - General Obligation Bonds (GOB) - referenda-specified purposes
 - Partnership reimbursements - tied to specific projects
 - Paygo (cash) calculated in the debt model - used for shorter term projects such as technology, equipment, life cycle replacements not eligible for debt funding

She shared County responsible for multiple capital programs across multiple funds = County Capital Program

She shared County CIP Elements focus on maintaining and enhancing service delivery:

- Automation
- County Buildings
- Criminal Justice
- Libraries
- PGROS
- Public Safety

She shared New facilities and significant renovations may be identified in a few ways:

- State-mandated services or facilities
- Changes to service demand
- Master planning processes help to plan changes to service across facilities that impact the service
- Facilities condition assessments

She shared Debt funding supports nearly half of County Capital Projects:

- Total \$815.7million across 7 years
- Identified funding sources for projects
- Debt funding can support large -scale projects for County owned facilities
- BMS works with departments to identify projects that are Debt funding

- Cash supports the rest of the capital program (automation projects, leased facilities, maintenance of existing facilities)

She shared large-scale new and replacement facilities meet changing County needs:

- Animal center (\$45.0M)
- GSA/County Admin Facility (\$75.0M)
- Decedent Storage (\$29.5M)

She shared Health and Human Services Facilities Master Plan support public health and social service delivery.

She shared EMS Master Plan supports increasing call volume and improves geographic coverage - Project plan consists of:

- EMS co-locations with Fire Houses
- EMS substations and district stations
- Current plan invests \$82.6million over 7 years

She shared Population projections anticipate a need for an expanded detention center ~\$150M

- CGL study recommends reopening detention center annex by 2026
- New beds projected to be needed in 2024-2027
- Planning for phase 3 expansion of the detention center FY2025-2027

Commissioner Adamson shared there is interest regarding animal center due to crisis, and asked where has land been identified or will this be shared later.

County Manager shared CMO is looking at property in the eastern part of County.

Vice-Chair Evans asked if more than one location will be done.

County Manager shared the plan is to start with one new location and potentially look for another site.

Commissioner Adamson asked what is Wake County's Human Resources visitation center.

Mr. Holder shared it is a County owned facility that creates an environment for families to reunite with children; in situations where custody has been suspended or ended and the center creates a home like environment to have monitored visitations.

Commissioner Stallings asked is that similar to work that Triangle Family Services does.

Mr. Holder shared the Wake County's Human Resources visitation center is a program is for children in Wake County custody. He noted Triangle Family Services is in partnership with Wake County.

Commissioner Adamson asked if the Wake County's Human Resources visitation center an existing or new facility.

Mr. Holder shared the center is existing.

Commissioner Stallings asked with costs associated with construction and increase of material and workforce shortage, is there a way to break these apart and how much is due to work force shortage versus access of materials.

Mr. David Rutherford, Senior Facilities Project Manager, shared these costs may not be separated as there is currently a labor shortage in this area. He shared there is a workforce shortage in the mechanical, electrical, and public trades.

Commissioner Calabria asked when will the animal center be opening.

Mr. Rutherford shared the animal center is about 2.5 years away as a designer for the project is being selected. He shared the goal is to construct a 50,000 square foot facility.

Commissioner Mial asked is the shortage of material a result coming out of COVID or an increase in projects.

Mr. Rutherford shared costs of wages in the area is due to difficulty obtaining staff and this impacts supply and demand.

Ms. Lucas shared regarding labor and materials for facility, there are unique sites that are trying to construct so competition exists. She shared as Wake County projects move forward with schematic designs, each project will show what will drive the costs of labor.

Ms. Gaskin resumed presentation sharing that \$144.2M of projects identified for 2024 Libraries Bond:

- Project list and bond amount determined during March 11, 2024 Board Work Session
- Next steps:
 - May 2024: Board approve bond amount and wording of bond

questions

- Summer 2024: Develop and implement communication plan
- November 2024: bond referendum on ballot

She shared 2018 Parks, Greenways, Recreation & Opens Space bond projects underway:

- Funding programmed for open space acquisition, greenways, and parks construction projects
- Most recent bond issuance in spring 2022
- Final bond issuance is expected in calendar year 2025
- Community Services presented an update on the 2018 bond programming in January 2024 and March 2024

She shared current county facilities require operating support and capital maintenance:

- County responsible for maintaining 191 buildings spread throughout the County
- Building purposes and uses vary widely

She shared chart showing as new buildings are added to the portfolio, operating impacts and capital maintenance costs will grow:

- Justice Center (507k sq. ft)
- Wake County Detention Center Phase 2 (410k sq. ft)
- Replacement GSA facility (108 sq.ft) and Detention Center expansion (296K sq. ft)

She shared routine maintenance needs are reviewed annually and projected he 7year plan:

- Capital maintenance planning relies on a variety of data resources
- Goal is for all building systems to function for their full life cycles and function at peak efficiency

She shared maintenance, facility repair, and some renovation projects funded with County cash:

- Ongoing maintenance and repair of facilities - \$185.5 million
- Existing facilities renovations and facility condition upgrades - \$64.2 million

She shared automation capital impacts every County Services:

- Computer Equipment replacements
- Enterprise Infrastructure Maintenance
- Major Projects Implementation

She shared automation faces cost presses:

- Inflation

- Aging equipment
- County Growth
- Ineligible for Debt Funding

She shared expenditure choices are interconnected and causing impacts to both operating and capital funds:

- New capital projects often have operating budget impacts
- Some operating projects also create capital budget impacts

She shared chart of new requested capital projects seek to improve service efficiency and meet service needs:

- Cost escalations, scope refinements, and maintenance increases for current infrastructure total \$130.5 million
- New project requests total \$229.8 million

She shared Requested County Capital Plan costs \$901 million across seven years

- Cost escalations, scope refinements and maintenance increases for current infrastructure total \$130.5 million
- New project requests total \$229.8 million

She shared Next Steps:

- Staff will continue to evaluate the business cases and timing of submitted capital requests
- Finalize revenue available for capital projects
- County Manager's FY2025 Recommended Budget will include balanced Capital Improvement Programs

Commissioner Adamson asked regarding graph of increased footage, when does new HHS building come on line, is this part of 2025 line up?

Ms. Gaskin believes that is built into the chart.

Ms. Lucas shared yes, that is adding space and full space is taking off line.

Commissioner Adamson shared even though new facilities are being built, this may not equal percentage to population growth. She would be interested in seeing a chart adding population growth included.

County Manager shared Wake County is catching up in terms of facility square footage and not falling behind.

Commissioner Stallings asked if sustainability of air quality and ventilation are being addressed in new facilities.

Mr. Ryan Davidson, Deputy Director of General Services Administration, shared filters are being used in buildings to improve both air quality and ventilation.

Commissioner Stallings asked if sustainability of air quality and ventilation in renovated versus new buildings will cause an impact.

Commissioner Waters asked if there a possibility for obtaining equipment in advance for maintenance, facility repair, and equipment.

Mr. Rutherford, Senior Facilities Project Manager, shared in certain projects, there can be early procurement of supplies. He shared in annex buildings, advance procurement of equipment, will be done in 2 phases. Some considerations must be taken depending on type of equipment that is needed.

Commissioner Waters asked what is being done regarding underutilized space.

Ms. Gaskin shared there is a master plan regarding use of underutilized space.

Mr. Rutherford shared leased spaces have lowered rates and the administrative master plan contemplates lease versus new build and time of when space is needed.

Commissioner Calabria shared regarding 7 year timeline, what has to be done at the end of the 7 year timeline (encumber funds or issue debt).

Ms. Lucas shared debt has to be issued at the completion of the 7 years. If not, an extension has to be requested. She shared there is a spend down period, which is 3 years.

Commissioner Calabria asked if the parks final bond in 2025, and debt funding in parks through FY27, is reflective of 7 year criteria.

Ms. Lucas shared the spend down of last issuance has to be executed (funds will need to be issued and spent down).

Commissioner Calabria shared comments on synching up debt model and operational elements on the parks bond. He shared regarding inflation and personnel internally for FD&C, will all of the Open Space and Parks fund be spent in time. He asked if \$42.6 million is utilizable in timeline.

Mr. Chris Snow, Parks, Recreation & Open Space Director, shared from previous minutes that only \$1million had been spent.

Ms. Lucas shared updated information will be provided at May 13th Work Session.

Ms. Gaskin resumed presentation and shared Other Capital Funds:

- Fire Tax
- Housing
- Major Facilities
- Solid Waste

She shared Other Capital Funds reflect dedicated revenue sources and purposes:

- Fire Tax District
- Housing
- Major Facilities
- Solid Waste

She shared Fire Tax District Capital Projects:

- Funded by a special level tax
- Includes funding for the apparatus, equipment and facilities
- Staff met with fire departments during budget development to determine timing for fire apparatus and equipment needed through the capital plan
- Costs for municipal departments are shared with municipalities using a funding methodology outlined in Fire Protection Agreements between the County and municipalities

She shared Fire Tax District planned facilities meet needs of growing community chart:

- New fire facility locations determined by analyzing fire response data
- Recommendations presented to the Fire Commission through the Fire Tax District Long-Range Plan
- Fire Commission will review and approve proposed Fire Tax budget on April 11, 2024

She shared chart on Housing capital projects help develop affordable units and support those at risk of or experiencing homelessness.

She shared Housing new project requests seek to increase affordable units and respond to shelter needs.

She shared Major Facilities capital program continues investment in Five County Stadium, Marbles, and competitive projects:

- Inter Local Agreement (ILA) allocates \$2million per year for

competitive projects (FY25, 26 and 27)

She shared Solid Waste capital program addresses landfill needs and begins planning for the next waste solution:

- Planning for Beyond the South Wake Landfill
- Interim closure of a phase at the South Wake Landfill
- East Wake transfer station maintenance projects
- Landfill gas system expansion
- Convenience center improvements
- Soil purchase for phase of landfill construction

Vice-Chair Evans asked if the Inter Local Agreement was competitive and when will next set be awarded.

Ms. Denise Foreman, Assistant County Manager, shared next award will be in late 2025.

Commissioner Mial asked about Wake County's unincorporated areas and the Town of Wendell for Fire Tax.

Mr. Ben Canada, Chief of Staff, shared the single fire tax district was established in 1999, and the Town of Wendell was the only municipality interested in joining.

Chair Thomas asked Commissioner Mial to follow up with Fire Commissioner regarding that.

Commissioner Stallings asked if there are costs in waste management regarding composting and use.

Ms. Gaskin shared composting is in several landfills throughout the County and a more detailed response can be provided separate from today's presentation to the Commissioners.

Ms. Gaskin shared Education slide.

She shared capital responsibilities that Wake County has for Wake Tech according to North Carolina General Statute (NCGS) 115D-32:

- The tax-levying authority of each institution shall be responsible for providing, in accordance with the provisions of G.S. 115D-33 or 115D-34, as appropriate, adequate funds to meet the financial needs of the institutions for the following budget items:
 - Plant Fund
 - Acquisition of Land
 - Purchase of all furniture and equipment

She shared Wake Tech 7-year Capital Program: \$419M:

- The full Board approved updated plan in August 2023

She shared Capital responsibilities for WCPSS.

She shared Proposed WCPSS 7-year Capital Program: \$2.8 billion.

She shared schedule of WCPSS CIP updated through collaborative efforts:

- Joint Facilities Core Team
- Board of Education Activities/Actions
- Board of Commissioners

Vice-Chair Evans asked if there is a bond for school construction in FY25.

Ms. Gaskin confirmed that is correct.

Meeting went into Recess

Meeting Reconvened

3. Debt and Capital Model Update

Attachments: [Debt & Capital Update April FY25 Special Work Session.pdf](#)

Mr. Todd Taylor, Debt Manager, shared Debt & Capital Update - Funding Capital Needs while maintaining AAA Ratings.

He shared the agenda:

1. Background
2. Debt and Capital Model Update
3. Proposed Capital Funding
4. Fall 2024 Referendum
5. Next Steps
6. Questions

He shared When to use PAYGO (cash) and Debt:

- Both used to fund capital needs
- PAYGO characteristics
 - immediate ownership
 - Affordability easily determined
- Debt characteristics (delayed ownership)
- Affordability
- Use PAYGO for smaller size & cost assets; shorter useful life & benefit (i.e. technology, minor renovations)
- Use Debt for larger size & cost assets, longer useful life & benefit;

part of multi-year program (i.e. schools, county parts and county facilities)

He shared advantages to using debt for large assets:

- Affordability
- Flexibility
- Intergenerational Equity

He shared Types of permanent Debt:

- General Obligation Bonds (GO)
 - Voter authorized; Board authorized
 - 20 year repayment on average
 - Lowest cost permanent debt
 - Backed by full faith and credit and taxing authority of County
- Limited Obligation Bonds (LOBs)
 - Board authorized
 - 20 year repayment on average
 - Slightly higher cost than GO
 - Backed by asset(s); asset(s) being purchased or constructed pledged as collateral

He shared Debt policies & guidelines chart:

- Integral to County's success
- Goal: maintain AAA ratings
- Rating agency criteria provides framework for County policy
- Clear bounds of operation for rolling 7-year CIP development
- Policy & metrics frequently benchmarked against peer Counties (3,143 counties in the country; wake is 1 of 53 counties to have AAA rating). He shared in appendix, there are additional documents for BOC.

He shared How does County measure policy performance to ensure continued success:

- Through use of a long-term, comprehensive financial model
- Debt Model monitored and maintained in close partnership with County's Financial Advisor, First Tryon Advisors

He shared a chart on Debt & Capital Model Update.

He shared Debt & Capital Model - What is it?

- Excel based financial tool utilized for complex analysis
- Includes base assumptions which are monitored and adjusted annually as necessary
- Ongoing update of Model inputs through a year

He shared chart of Revenue assumption changes in Model:

- property tax rate for FY25 = 46.43%
- property tax collection rate = finished in 2023 is 99.93%
- sales tax appears to be slowing
- updated projects sales tax growth = 3%
- Increase in investment earnings = 4.0%
- Tax increase - Dedicated for Capital = 1.0 cent for FY24; and is .25 cent for FY26 to support bond referendum on this fall's ballot. He shared .25 cent is not true bonds issued. He shared the additional amount of revenue needed together with use of available capacity is estimated to be .25 cent. Fall bond plan is Nov. 2028 is to be determined.

Chair Thomas asked about the revenue neutral rate of 46.43 as this is what the commissioners were told earlier in the year.

Mr. Taylor shared he was not sure of the time frame when that information was shared with Commissioners, but the information is in the update by Mr. Marcus Kinrade, Tax Administrator.

Commissioner Calabria asked regarding FY24 tax bond, was there concern about lack of debt capacity or additional revenues that are being shown in the model (the .60 cent to .25 cent).

Mr. Taylor shared yes, this was a function of positive performance, projected revenues in the model due to a more realistic look of valuation and that moved the needle on capacity. He shared as debt is issued, it will be issued at a realistic rate and debt service may be a bit lower. Combination of factors that yield a lower rate in FY26.

Commissioner Mial asked about AAA bond, what is driving the County to maintain this.

Mr. Taylor shared Wake County seeks ratings from all three agencies and all three agencies have assessed County's credibility on G.O. debt. He shared ratings convey assurance to potential bond holders of security and commitments. He shared this provides credit worthiness. Should the County not be weighted AAA, the rate at which we would issue bonds would go higher.

Commissioner Stallings asked what does Wake County do with over payment plans or trends for needs by residents

Ms. Lucas shared information will be provided separately.

Mr. Taylor shared Expenditure assumption changes in model: Federal funds rate is the rate banks charge for overnight lending; which is 5.5%. He shared the prime rate for consumer borrowing is usually 3% higher than federal borrowing rate.

Commissioner Calabria asked if the variable debt rate is similar to an adjustable rate.

Mr. Taylor shared the variable debt rate is the short term construction period from a loan from a bank and is where funds are only used when needed and the rate is applied only when funds are withdrawn. He shared the differences between GO programs and LOB programs; noting the rates are similar.

Ms. Lucas shared the variable rate that is shown on the chart is for short term debt; she shared Wake County's strategy is to do fixed rates and the goal is to refinance debt.

Mr. Taylor shared Proposed Capital Funding Strategies FY25-FY2031.

He shared Proposed WCPSS & WTCC capital funding:

- WCPSS proposed capital funding is \$2.8 billion
- WTCC proposed capital funding is \$419.4 million

Vice-Chair Evans asked if the school bond issued in 2022 was being used in fiscal year 2024, and if another bond is not needed until 2026 would those funds not available until FY28.

Mr. Taylor shared yes, bonds issued are in a two year alternating cycle and the plan will be detailed on upcoming slide.

Ms. Lucas shared Vice Chair-Evans is correct, funding requests are every 2 years.

Mr. Taylor shared annual development of proposed County capital funding process:

- CIP requests received
- County core team and departments
- County core team reviews CIP changes; CMO provides feedback
- Projects identified for potential debt funding
- Balancing scenarios developed and tradeoffs identified
- Debt planning finalized
- Board of Commissioners adopts the budget
- Annual appropriation & project monitoring

He shared Proposed County Capital Funding:

- Libraries
- PGROS
- Human Services Master Plan
- EMS Master Plan
- Other Planned County Facilities
- Fire Tax Master Plan (*supported by dedicated Fire Tax)

Commissioner Adamson asked with GSA selling existing property, will that land be evaluated for affordable housing.

Ms. Lucas shared yes, that will be done as it is for all property.

Mr. Taylor shared chart showing Debt/Paygo/Total Funding: on the November, 2026 ballot there will be a school bond.

Chair Thomas shared the tax increase for capital was .06 cents per 100,000 valuation.

Mr. Taylor shared tax increase is .25 cent per 100,000 valuation.

Mr. Taylor shared Policy measures remain at desired levels:

- Fund balance is 30% threshold (currently 39.9% for FY24)
- The cost of current plan and current projects in CIP, that has increased by cost or scope, which causes additional debt to be issued over years.
- Shifting costs over the County
- Cash fund is a good portion of capital projects and cash fund has increased
- All factors makes fund balance to be used over 7 year plan and there is a need to be more mindful for incorporating capital needs

Discussion was held with Commissioner Calabria and Mr. Taylor regarding policy measures.

Commissioner Calabria asked if there is anything that caused a pause by Mr. Taylor on Wake County keeping AAA bond rating.

Mr. Taylor shared bond rating has to reaffirm existing rate as Wake County received glowing report from all three reporting agencies. He shared there are no lingering issues of concern to bond rating agencies.

Commissioner Stallings asked is Wake County's standard criteria to maintain AAA bond rating.

Mr. Taylor shared rating agencies have their own criteria and wherever Wake County lands on policies and guidelines, is where Wake County remains.

Commissioner Stallings asked does cash fund come from the general fund.

Mr. Taylor shared a portion of tax rate is for general funding; some is used for cash and debt.

Commissioner Stallings asked how often has Wake County been able to refinance debt.

Mr. Taylor shared this is researched every year and is the responsibility of the financial advisors to review once a year.

Mr. Taylor shared Fall 2024 Referendum

He shared Takeaways from March 11 work session:

- Pursue fall 2024 library bond totaling \$142m
- Priority Library Projects:
 - Renovations
 - Athens Drive (replacement)
 - Wendell (replacement)
 - Rolesville (new); to include Peace and Justice Memorial
 - Fuquay-Varina (expansion)
 - Friendship (new)
 - TBD (new)

He shared Required steps for bond referendum.

He shared Next steps:

- Today = Board feedback to staff
- May 6th = Manager presents recommended FY25 budget
- May 13th Work Session or May 23 Work Session (additional feedback and detail on recommended FY25-31 CIP
- June 3rd = Board adoption of FY25 budget and FY25-31 CIP

Commissioner Stallings asked who writes the language for bond referendum.

Mr. Taylor shared language is dictated by statute and notable changes will be on the fall ballot. Wake County is required to follow statute and working with bond counsel to come up with adhoc language to appear on ballot.

Mr. Canada shared legislative language was done via bill in late September and was a surprise to all local governments.

Meeting went into Recess

Meeting Reconvened

4. Update on Opioid Settlement Funding

Attachments: [Opioid Settlement Updates FY 25 Budget Approval.pdf](#)
[FY 25 Opioid Plan for Board Approval .docx](#)

Ms. Alyssa Kitlas, Behavioral Health Program Manager, shared Opioid Settlement Updates.

Ms. Kitlas shared a chart showing Overdose Deaths in Wake County 2000 - 2022.

She shared an increase in ages 10-18 due to drug supply changing and increase in communities of color. She shared counts are low but there has been an increase in Black and Hispanic Wake County residents.

She shared a chart on Overdose Emergency Department (ED) visits by Patient Residential Zip Code, Wake County 2019-2023.

She shared NC Opioid Settlements:

- Nationwide settlements have been reached to resolve all Opioid litigation brought by states and local political subdivision against the three largest pharmaceutical distributors and manufacturers.
- Funds began flowing in states in April 2022
- Wake County agreed to the settlement in November 2021 and the Memorandum of Agreement that established the terms for oversight and the use of settlement funds in NC
- Commissioners will be asked to approve the Wake County Opioid Settlement Funding Plan for FY2025 at the April 15th Board meeting
- Goal is to create a framework and nimbleness

She shared a chart on Funding to Wake County = \$65,334,157

- Number is influx because settlements are influx
- Interest accumulates
- Most money will be received in beginning and plateau in middle
- Goal is to build infrastructure to engage community partners

She shared Plan Principles:

- Prevent additional lives lost to the overdose crisis
- Develop an iterative process that is in response to what we hear from the community and the changing nature of the crisis
- Ensure all parts of Wake County have access to these resources and investments do not worsen disparities
- Let data drive decision making
- Focus investments based upon their potential impact and measurable outcomes
- Complement and enhance existing programs while avoiding unnecessary duplication of effort

She shared Community Input Guides Plan Development.

Commissioner Mial thanked Ms. Kitlas for the event held at the McKinnon Center. He shared great information was shared and he appreciates all the hard work put into the event. He shared attendance was awesome.

Ms. Kitlas shared a session was held on March 15th and positive feedback was shared during meeting. She shared the goal is to be more transparent about what is being done.

She shared chart of Community Survey Results (weighted):

- 220 individuals responded
- Evidence based addiction treatment
- Budget for Naloxone distribution is \$15,000

She shared FY2025 Opioid Settlement Plan:

- The plan recommends allocating \$7.5m over FY25 to support the following strategies supporting a full continuum of approaches:
- Expanding treatment access
- Preventing overdose deaths
- Supporting youth and families
- Strengthening access for historically marginalized populations
- Addressing the needs of the whole-person
- Engaging the community throughout the process

She shared Upcoming April 15th Board Actions:

- Approve FY25 Funding Plan
- Approve Funding Resolution
- Accept and Appropriate \$7.5M from the NC Department of Justice's National Opioid Settlement into the Wake County Opioid Settlement Fund

Chair Thomas asked when the \$7.5 million appropriation is made, what specific programs are going to support these approaches and who are the

partners.

Ms. Kitlas shared partnerships are underway, and she gave South Light, Healing Transitions, and Alliance as examples of partnerships. She shared Healing Transitions focuses on treatment and named Wake Monarch academy as a partner that can fit under early intervention. She is working on sharing the draft document that identifies the future partners. She shared in addition to transparency, she wants to get community based organizations to apply. She shared she will update the Commissioners on progress.

Commissioner Adamson asked how evidence based addiction is defined.

Ms. Kitlas shared it is defined as medications for an Opioid disorder.

Commissioner Adamson asked if abstinence based treatment is included.

Ms. Kitlas shared it is prioritizing medications for Opioid treatment, about having choices and a range of options to treatment programs with expertise. Medications have not been adopted in a way.

Commissioner Stallings shared her appreciation for the presentation and thanked Ms. Kitlas. She asked is the North Carolina Department of Justice (NCDOJ) a primary partner.

Ms. Kitlas shared yes, NCDOJ as well as the North Carolina Association of County Commissioners (NCACC). She shared Wake County is tracking investments.

Commissioner Stallings asked is most of funding going to brick and mortar partners.

Ms. Kitlas shared that is where the start will be. She shared recommendations from community partners who are doing the work on the ground and know what works. She shared a request for funding opportunities is next on the list. She's been engaged in conversations with other counties and this will be an opportunity to have growth.

Commissioner Stallings asked do you think regional centers will be assisting.

Ms. Kitlas shared yes and she has been attending their advisory groups; and the one meeting a year helps to inform work and having regional meetings that include all municipalities.

Commissioner Waters applauded Ms. Kitlas for the work that she is

leading as its evident that Ms. Kitlas is people centered. Commissioner Waters shared she is looking forward to working with Ms. Kitlas.

Ms. Kitlas shared information about the Wake County overdose prevention program.

Vice-Chair Evans shared appreciation for the work. She appreciates the thoroughness, and the importance of reaching youths. She asked what does Wake County think is the best way to reach youth - is it early education.

Ms. Kitlas shared the settlement provides a strong framework but early prevention/intervention for youth is one area that does not fit neatly in the existing categories. She shared there are categories that will include those prevention strategies. She shared conversations with partners, i. e. Poe Center which offers health education and youth mental health programs to identify signs. She shared conversations through coalitions regarding campaigns and educational materials to include recognizing signs of overdose and the importance of including youth in conversations. She shared presentations have been made to the Youth Health Council and how to continue to include youths in the conversations. She shared this has been woven in conversations and the plan is to have it added as a strategy. She shared the settlement provides the ability to do some of the prevention work, but not all of the work.

Commissioner Calabria shared his appreciation for the cerebral, compassionate, and community centered approach to this work. He asked what was the biggest influencer in the decrease in overdose deaths in 2022.

Ms. Kitlas shared it is hard to really know what caused the decrease. She shared in 2020, COVID caused part of the increase, unemployment, poverty, and social isolation were drivers for the increase. She shared the rapid responder program is offering services for individuals to connect with the right support system and hoping that investments have started to change.

Commissioner Calabria asked where would the distribution take place for Naloxone. He shared Wake County has been an early adopter for having this medication on board.

Ms. Kitlas shared immediate plan is to get it to individuals who are close to overdosing. She shared centers have had to ration their supply. She shared Wake County's Harm Reduction Coalition, Healing Transitions and Opioid treatment centers, and Wake County Detention Centers are able to provide medication as well. She shared the Department of Health and

Human Services (DHHS) has worked with the library system. Basically having the medication present for access and availability is important and normalizing its use.

Commissioner Calabria asked regarding the map showing overdoses by zip code, does geography of solutions fit the geography of the problem. He shared it seems to be a gravitational pull toward larger municipalities and wants to focus on key areas with the problem. He shared it would be good in the future to have a map showing what is being done in smaller areas.

Ms. Kitlas shared response time for EMS data is important and conversations with getting better data from DHHS helps to guide them and use the data to inform planning.

Commissioner Stallings asked if funding allows partnerships with school centers.

Ms. Kitlas shared yes, there are opportunities for how to be a resource and how to get kits from pharmaceuticals who want to be supportive.

Chair Thomas thanked Ms. Kitlas for information.

Adjourn

Meeting adjourned at 12:45 p.m.

Respectfully submitted,

Antoinette H. Womack, NCCCC
Deputy Clerk
Wake County Board of Commissioners